



Arkansas Community Correction

Two Union National Plaza Building
105 West Capitol, 3rd Floor
Little Rock, AR 72201-5731
501-682-9510 (office) 501-682-9513 (fax)

April 11, 2019

Via email to: thayerj@blr.arkansas.gov
Ms. Jillian Thayer, Bureau of Legislative Research
State Capitol, Rm. 315
Little Rock, Arkansas 72201

Re: Settlement Review

Dear Ms. Thayer:

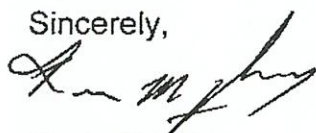
In a lawsuit styled *Karen Lyons v. Arkansas Dept. of Community Correction, et al.*, USDC Case No. 5:17CV128-DPM, former employee Karen Lyons alleges that ACC violated her rights under the FMLA and ADA by denying her requested FMLA leave and terminating her because she was unable to return to work due to her medical condition.

At the time of her termination, ACC's attorney believed she was not entitled to the requested leave. However, Assistant Attorney General William Bird, who represents ACC in the case, believes there is a strong chance that if we do not settle, a judgment would be entered against ACC either by the court on summary judgment or by a jury after a trial.

Based on the advice of Mr. Bird, ACC has reached an agreement with Ms. Lyons and her counsel to settle this lawsuit in the amount of \$30,000. The estimated damages (including mandatory payment of the plaintiff's attorneys' fees) if a judgment were to be entered against us are more than three times the proposed settlement amount.

ACC believes this settlement is in the best interest of the agency, and requests approval. The Chairman of the Board of Corrections and the Governor have given their approval.

Sincerely,



Kevin Murphy
Director

SETTLEMENT AGREEMENT AND RELEASE

WHEREAS, an action is pending in the United States District Court for the Eastern District of Arkansas styled *Karen Lyons v. Arkansas Department of Community Correction, et al.*, Case No. 5:17-CV-00128-DPM (hereinafter referred to as the "Action"); and

WHEREAS, the defendants in the Action, the Arkansas Department of Community Correction and Sheila Sharp, Wade Hodge, Kevin Murphy, Phyllis Callaway-Silas, Jerry Bradshaw, Chad Brown, and Paulette Washington, in their official and individual capacities as employees of the Arkansas Department of Community Correction (collectively referred to as "defendants" unless the context requires otherwise), deny that they, or any officer, employee, or agent, have engaged in any wrongful, unconstitutional, or unlawful conduct of any kind; and

WHEREAS, the plaintiff in the Action, Karen Lyons and the defendants desire to compromise and settle the Action to avoid the costs and uncertainties of continued litigation;

NOW, THEREFORE, the plaintiff and the defendants agree to the following terms as full and final satisfaction of any and all claims, including any and all claims for costs and attorneys' fees, which were raised by plaintiff in the Action or could have been raised by plaintiff in the Action.

1. **ACTION TO BE TAKEN BY DEFENDANTS.** As soon as practicable following full execution of this Agreement, the Department will remit the following to plaintiff via his attorneys, Sutter & Gillham, P.L.L.C.:

- a. A check payable to Sutter & Gillham P.L.L.C. in the amount of \$13,257.50 for attorneys' fees and costs;
- b. A check payable to Karen Lyons in the amount of \$8,371.25 for wage loss, less any and all appropriate withholdings; and
- c. A check payable to Karen Lyons in the amount of \$8,371.25 for noneconomic, compensatory damages.

Plaintiff understands and agrees that such payments may be subject to legislative approval.

2. **ACTION TO BE TAKEN BY PLAINTIFF.** Plaintiff agrees to accept the payments identified in Paragraph 1 as full and final payment of any and all claims that were or could have been brought in the Action.

3. **COMPLETE RELEASE AND WAIVER.** Plaintiff waives, releases, relinquishes, and forever discharges the defendants from all claims, liens, or causes of action, known or unknown, arising out of the matters described in the complaint for damages, attorneys' fees, declaratory or injunctive relief, costs, or recovery of any other type against the defendants including any officers, officials, employees, and agents of any defendant, in their official and individual capacities.

4. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between the parties. The plaintiff and defendants have not relied upon any promise or statement, oral or written, that is not set forth in this Agreement.

5. **MODIFICATION.** The plaintiff and defendants agree that this Agreement may not be modified, amended, or altered except by a written agreement executed by all parties.

6. **VOLUNTARY AGREEMENT.** The plaintiff and defendants acknowledge that each has read this Agreement, that each has had the opportunity to consult with legal counsel of their choosing concerning the advisability, meaning, and effect of this Agreement, and that each has signed this Agreement voluntarily and without duress.

7. **NO RESCISSION FOR MISTAKE.** The plaintiff and defendants acknowledge that each has had the opportunity to investigate the facts and the law relating to the claims raised in the Action and any additionally waived and released claims to the extent each deems necessary and appropriate. The plaintiff and defendants assume the risk of any mistake of fact or law and agree that any mistake of fact or law shall not be grounds for rescission or modification of any part of this Agreement.

8. **ACKNOWLEDGEMENT.** Plaintiff and defendants acknowledge that this Agreement was negotiated and agreed upon by both sides, the terms of which will not be construed against either side as the drafter.

9. **NO ADMISSION OF LIABILITY.** Plaintiff and defendants acknowledge that this Agreement is a compromise and is not an admission of liability or wrongdoing on the part of the defendants or any officer, employee, or official of any defendant. Plaintiff agrees that the Agreement is not admissible in any court or

administrative body except as necessary to enforce its terms or as otherwise required by law.

10. **CHOICE OF LAW.** This Agreement shall be governed by and construed in accordance with the substantive law of the State of Arkansas.

11. **SUCCESSORS AND ASSIGNS.** This Agreement shall be binding upon the plaintiff and defendants and each of their respective heirs, descendants, successors, and assigns.

12. **EFFECTIVE DATE.** This Agreement shall become effective upon the date it is executed by all parties.

13. **EXECUTION.** The persons executing this document assert that they are authorized to do so by the party or parties on whose behalf they purport to act.

14. **COUNTERPARTS.** This Agreement may be executed in counterparts and the counterparts, taken together, will have binding effect.

PLAINTIFF KAREN LYONS

By: Karen Lyons

Date: 4-29-2019

DEFENDANT ARKANSAS DEPARTMENT OF COMMUNITY CORRECTIONS

By: [Signature]

Date: 5-17-19